

Old Age, Disability, Death

First law: 1900 (old age), 1944 (disability).

Current laws: 1967 and 1990 (old age pensions for employees), 1969 (means-tested allowance for aged), 1963 (disability pensions provided under sickness insurance).

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 32.13 francs.

Coverage

Employed persons and apprentices (special provision for miners and seamen). Special systems for self-employed persons and public employees. (Coverage for disability pensions as shown for sickness and maternity below.)

Source of Funds

Insured person: 7.5% of earnings. Pensioner, 3.55% of disability benefit or *prepension* (exempt if pension under 35,627 francs a month for single person and 42,750 francs for person with dependents).

Employer: 8.86% of payroll.

Government: Annual subsidies.

Contributions paid on 108% of earnings for blue-collar workers and 100% of earnings for white-collar employees, including vacation bonus in both cases.

(Disability pensions and funeral grants financed through sickness and maternity insurance.)

Qualifying Conditions

Old-age pension: Normal retirement age is flexible from age 60 to 65 for both men and women. Full benefit based on 45 years of coverage for men and 40 years of coverage for women.

Disability pensioners and the unemployed may choose to remain under old rules or accept new retirement provisions as shown.

Prepension: Men may retire at age 60 if replaced by unemployed worker, years to age 65 credited. Beneficiaries of prepension must remain with program to age 65. Prepension provisions were terminated as of December 31, 1990. Prepension supplement, see unemployment benefits below.

Disability pension: Loss of 2/3 of earning capacity in usual occupation. 6 months of insurance, including 120 days of actual or credited work and insurance during last quarter.

Survivor pension: Insured had coverage during entire period since age 20 or was pensioner at death; otherwise, proportionately reduced pension.

Old-Age Benefits

Old-age pension: Full pension, 60% of average lifetime earnings, or 75% for married couple; in computing pension, past earnings are revalued for wage and price changes.

Reduced pension (if full qualifying period not met): Percent of full pension corresponding to portion of period completed.

Special old-age pension to divorced husband or wife at age 60 (5 years earlier with reduction): 62.5% of former spouse's earnings during marriage, less any alimony payments received.

Means-tested allowance: 20,405 francs a month (single) or 26,806 francs a month (couple).

Adjustment: Automatic periodic adjustment of pensions for retail price changes.

Minimum pensions: 26,703 francs a month (single) or 33,369 francs a month (married couple) if insured during full qualifying period.

For workers with 2/3 of insurance required for full pension, minimum pension proportionately reduced.

Permanent Disability Benefits

Disability pension: Equal to 65% of lost wages for employee with dependents; 40% if no dependents; 45% if no dependents but living with others who have no income. Payable after 1 year of incapacity (1st year paid under sickness benefit).

Minimum benefit: 920 francs a day (single), 1,285 francs a day (family), or 1,028 francs a day for those living alone; maximum, 1,422 francs a day (single) or 2,133 francs a day (family).

Adjustment: Automatic periodic adjustment of benefits for retail price changes.

Survivor Benefits

Survivor pension: 80% of old-age pension of insured. Minimum: 315,053 francs a year if worker fully insured for full qualifying period for pension, plus vacation allowance of 17,390 francs a year. For survivors of workers with 2/3 of full period, minimum pension proportionately reduced.

Payable to widow or widower aged 45 (at any age if disabled or caring for child). Married at least 1 year (waived if child born or accidental death). If widow or widower employed, same retirement test as for old-age pension.

Survivor's pension plus widow or widower's own pension may not exceed 110% of own pension. Widow or widower who is ineligible for regular pension receives pension for 12 months (24 months if ineligible widow or widower remarries).

Orphans: 9,992 francs a month for each orphan, payable under family allowances system.

Funeral grant: Lump sum of 6,000 francs, payable under sickness insurance.

Means-tested allowances payable to needy survivors.

Adjustment: Automatic periodic adjustment of benefits (except funeral grant) for retail price changes.

Administrative Organization

Ministry of Social Welfare, general supervision.

National Social Security Office in Ministry, collection of contributions and distribution to national offices administering benefits.

National Pensions Office, administrative management of old-age and survivor pensions; National Fund for Old-Age and Survivor Pensions, financial management of program.

National Insurance Institute for Sickness and Disability, general administration of disability pensions.

Sickness and Maternity

First law: 1894 (mutual benefit societies).

Current law: 1963 (sickness and disability insurance).

Type of program: Social insurance system. Cash and medical benefits.

Coverage

Employed persons and apprentices (must enroll with mutual benefit society or public auxiliary fund). Pensioners and other social security beneficiaries also covered for medical benefits.

Special systems for self-employed persons (basic protection only) and seamen.

Voluntary affiliation for persons not under compulsory coverage.

Source of Funds

Insured person: Medical benefits, 3.55% of earnings. **Cash benefits**, 1.15% of earnings. Pensioner, 3.55% of old-age and survivor pension (exempt if pension under 37,257 francs a month for single person and 44,155 francs for person with dependents).

Employer: Medical benefits, 3.8% of payroll. **Cash benefits**, 2.2% of payroll plus 0.15% to finance maternity benefits.

Government: Subsidy for medical care and compensation for employees and self-employed. Proceeds from surcharge on automobile insurance and on hospitalization insurance premiums, and a tax on profit made on reimbursable drugs.

Qualifying Conditions

Sickness and medical benefits: 6 months of insurance, including 120 days of actual or credited work, or 400 hours during last 6 months.

Maternity benefits: Female employees, 6 months of insurance preceding confinement.

Sickness and Maternity Benefits

Cash sickness benefit: 60% of earnings; maximum earnings, 3,554 francs a day. Employer pays 100% of earnings for up to 30 days to most salaried employees; for wage earners, and those salaried employees not entitled to 30 days' earnings from employer, the employer pays 100% of earnings for first 14 days and supplements insurance benefit with 29% (wage earners) or 30.5% (salaried employees) of earnings for next 23 days. Thereafter, insurance continues to pay 60% of earnings for remainder of 1st year of illness.

Cash maternity benefit: 82% of earnings for 1st month for salaried employees (79.5 for the unemployed), plus 75% of earnings thereafter. Payable for 7 weeks before and 8 weeks after confinement.

Workers' Medical Benefits

Medical benefits: Includes general and specialist care, surgery, hospitalization, medicines, laboratory services, maternity care, dental care, nursing, rehabilitation, transportation, and appliances. Insured pays co-payment of varying amounts depending on income and status. Duration: No limit.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for insured.

Administrative Organization

Ministry of Social Welfare, general supervision.

National Social Security Office in Ministry, collection of contributions.

National Sickness and Invalidity Insurance Institute, coordination of program together with 2 management committees for cash and medical benefits.

Local agencies paying benefits: about 100 approved private mutual benefit societies, federated into 5 national unions and a separate fund for railway employees; and district offices of public auxiliary fund, for persons not belonging to mutual society.

Work Injury

First law: 1903.

Current laws: 1963 (occupational diseases), 1971 (work accidents).

Type of program: Compulsory insurance with public or private carrier.

Note: As of January 1, 1988, the work injury program was partially transferred to the private sector. As a result of privatization, effective April 15, 1989, insurers limited to maximum 15% premium increase.

Coverage

Employed persons, including casual labor and apprentices.

Special systems for public employees and seamen.

Source of Funds

Insured person: None.

Employer: Occupational injuries, 0.3% of payroll plus insurance premium varying according to risk. (Average cost about 2.6% of payroll for wage earners, 0.6% for salaried employees.)

Occupational diseases, 1.10% of payroll (wage earners) or 0.45% (salaried employees).

Government: None, except for certain accidents resulting from explosive materials or in military equipment.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: Total temporary disability, employer pays 100% of earnings for 1st 30 days. Thereafter, insurance pays 90% until recovery or permanent disability established.

Partial temporary disability, 90% of earnings during rehabilitation or if suitable work not available. Otherwise, benefit covers difference between current and prior-to-injury earnings. If rehabilitation or suitable work refused, benefit proportionate to degree of disability.

Adjustment: Automatic periodic adjustment of benefits for retail price changes.

Permanent Disability Benefits

Permanent disability pension: 100% of earnings, if totally disabled.

Constant-attendance supplement: Depending on degree of necessity and based on average guaranteed monthly salary. Payable up to 21 consecutive days in the hospital.

Partial disability: Percent of full pension corresponding to degree of incapacity (converted to lump sum upon retirement).

Adjustment: Automatic periodic adjustment of benefits for retail price changes.

Workers' Medical Benefits

Medical benefits: Medical treatment, surgery, dental treatment, hospitalization, medicines, appliances, and transportation.

Survivor Benefits

Survivor pension: 30% of earnings of deceased up to maximum. Payable to widow or to dependent widower and to divorced widow, if receiving alimony.

Orphans: 15% of covered earnings per orphan, or 20% if full orphan under age 18 (or older if entitled to family allowance); payable for not more than 3 orphans.

Other survivors (in absence of above): Parent, 20% of earnings; grandchild, brother, or sister under age 18, 15%. Maximum: 45%.

Maximum survivor pensions: 75% of earnings of deceased.

Funeral grant: Lump sum of 30 days' earnings; minimum, 6,000 francs.

Adjustment: Automatic periodic adjustment of benefits (except funeral grant) for retail price changes.

Administrative Organization

Ministry of Social Welfare, general supervision.

Work injury: Industrial Accidents Fund and local accident boards and inspectors, administration of program; tripartite representation. Employers must insure liability with employer mutual association or private insurance company. Granting of benefits are approved by the Work Accident Fund.

Occupational diseases: National Social Security Office in Ministry, collection of contributions. Occupational Diseases Fund, administration of program; managed by administrators representing Ministry, assisted by employee-employer council.

In case of non-agreement, the labor tribunal will adjudicate.

Unemployment

First law: 1920.
Current law: 1991.
Type of program: Compulsory insurance system.

Coverage

Employed persons and apprentices.

Exclusions: Public employees, non-boarding domestic servants (working less than 4 hours a day for same employer or less than 24 hours a week with same or multiple employers), casual and family labor.

Special systems for longshoremen, seamen, construction workers, sheltered workshops, etc.

Source of Funds

Insured person: 0.87% of earnings (in last quarter of 1994).

Employer: 1.43% of earnings in last quarter of 1994. Financing of additional unemployment benefits is in the framework of *prepension* collective agreements.

Government: Covers difference between receipts and expenditures through annual subsidies.

Qualifying Conditions

Unemployment benefit: From 312 days of insured employment in last 18 months to 600 days in last 36 months, rising with age of claimant. Registered at unemployment office. Capable, willing, and available for work. Unemployment not due to voluntary leaving, discharge for misconduct, strike, or unjustified refusal of suitable offer (disqualification for 8 to 52 weeks; may be extended according to gravity of fault and frequency of occurrence).

Prepension supplement: Retire age 58 (50 in industries in economic difficulty), if 5 years with same employer or 10 in same branch of industry, or 20 years' employment. Age 60 if dismissed, replaced by another worker.

Unemployment Benefits

Unemployment benefit: Benefit calculation depends on three factors: The amount of earnings lost (as of 12/1994 ceiling set at 55,876 francs a month); civil status of insured person (married or with family dependent, single, or cohabitating); and the division of the duration of benefits into three periods. Worker with dependent, 60% of earnings. Unemployed with dependents receive 60% of earnings during all three periods. Single persons receive 60% of earnings the 1st year; 40% in the 2nd period which lasts 6 months (plus 3 months for each year of covered employment); and a 3rd period paid as lump sum settlement.

Those in cohabitation receive 55% of earnings in 1st period; 35% during 2nd period; and in 3rd period a fixed rate payment of 12,532 francs a month.

Workers aged 50 or more with 20 years of coverage and 12 months of unemployment are eligible for a monthly supplement that varies according to the level of lost earnings.

Unemployed youth eligible for monthly allowance ranging from 7,176 to 16,540 francs, depending on age and civil status.

Prepension supplement: 50% of difference between the initial monthly unemployment benefit and net salary. Payable until pensionable age.

Adjustment: Periodic adjustment of benefits for retail price changes. Supplementary subsistence benefits payable to specified occupational groups to assure minimum income, under collective agreement.

Administrative Organization

Ministry of Employment and Labor, general supervision.

National Social Security Office, collection of contributions.

National Employment Office, decision on claims, supervision of paying agencies, and operation of employment service through 30 regional offices, managed by tripartite committee.

Local agencies paying benefits: Public paying offices, or trade unions for own members.

Family Allowances

First law: 1930.
Current laws: 1967, 1969, and 1971 (means-tested allowances).
Type of program: Employment-related system.

Coverage

Gainfully occupied persons and social insurance beneficiaries with 1 or more children. Special systems for public employees and self-employed persons.

Families not covered above eligible for means-tested allowances.

Source of Funds

Insured person: Employee, none. Self-employed, contributions varying with income.

Employer: 7% of payroll.

Government: Subsidies to employee and self-employed programs covering any deficits.

Qualifying Conditions

Family allowances: Child must be under age 16; 18 if child goes to school part-time; 21 if disabled; or 25 if apprentice, full-time student, replaces single parent or seeking employment.

Eligible children may include dependent grandchildren, brothers, sisters, stepchildren, and other dependent minors.

Income limit for means-tested allowances: 83,542 francs a quarter with 1 child, increasing by 20% for each other child.

Family Allowance Benefits

Family allowances: 2,601 francs a month for 1st child (3,925 francs if child of old-age pensioner or 5,450 francs if child of unemployment beneficiary or disabled worker), 4,813 francs for 2nd (5,634 francs for 2nd child of old-age or disability pensioners or unemployed), 7,185 francs a month for 3rd and subsequent children (7,329 francs for 3rd child of old-age or disability pensioner or unemployed). Supplement of 904 francs a month for 1st child aged 6-12, 1,380 francs if 12-16, and 1,688 francs a month if over age 16 (for 2nd and each other child, 1,456 francs). Supplement for disabled child under age 21: 11,700 francs a month (with further increments based on degree of disability).

Schedule of payments: 14 payments a year.

Birth grant: 35,236 francs for 1st birth, 26,511 for 2nd and subsequent births.

Means-tested allowance payable to families not eligible for regular allowances.

Adjustment: Periodic adjustment of benefits for wage and price changes and other economic factors.

Contributions under family allowance also are used to finance child care centers.

Administrative Organization

Ministry of Social Welfare, general supervision.

National Social Security Office, collection of contributions.

National Family Allowances Office, distribution of contributions among individual funds.

Family allowances are paid by about 33 approved occupational and regional funds, auxiliary public fund for persons not otherwise covered, and several special funds.

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